



General Assembly

Distr.
GENERAL

A/AC.96/909
7 October 1998

Original: ENGLISH

EXECUTIVE COMMITTEE OF THE
HIGH COMMISSIONER'S PROGRAMME

Forty-ninth session

REPORT OF THE THIRTEENTH MEETING OF THE STANDING COMMITTEE
(8-9 September and 2 October 1998)

I. INTRODUCTION

1. The meeting was opened by the Chairman of the Executive Committee, His Excellency, Ambassador Björn Skogmo (Norway). The Chairman informed delegations that the delegation of Sri Lanka had requested to participate in meetings of the Standing Committee during 1998 as an Observer and suggested that their participation begin immediately. Delegations agreed to this proposal.

II. ADOPTION OF THE AGENDA OF THE THIRTEENTH MEETING
AND THE REPORT OF THE TWELFTH MEETING

2. The agenda (EC/48/SC/CRP.34/Rev.1) and the draft report of the twelfth meeting (EC/48/SC/CRP.33) were both adopted without revision.

III. DEPUTY HIGH COMMISSIONER'S STATEMENT

3. The Deputy High Commissioner delivered an opening statement to the Standing Committee, updating delegations on recent developments in UNHCR Operations around the world. He informed delegations that Mr. Vincent Cochetel, UNHCR's Head of Office in Vladikavkaz, still remained captive.

IV. PROTECTION/PROGRAMME POLICY ISSUES

4. Under this agenda item, the Standing Committee had before it two documents for discussion, *Refugee Children and Adolescents, Including Follow-up to the 1997 Evaluation and Report on Implementation of the Machel Study* (EC/48/SC/CRP.38) and *The Situation of Older Refugees* (EC/48/SC/CRP.39).

A. Refugee Children and Adolescents

5. The Special Representative of the Secretary-General for Children and Armed Conflict, Mr. Olara Otunnu, gave a statement in which he outlined three primary courses of action: advocacy, the taking of concrete initiatives in the midst of conflict and the need to bring protection of children in armed conflict to a central concern at all levels. He stressed that local values regarding protection and treatment of children are as much a resource as international norms and standards, though in societies where they have been undermined by war he emphasized that they may need to be reinvigorated. He also stressed the need to work with State as well as non-State parties to any given conflict to promote respect for norms relating to children in armed conflict. The Special Representative's address was followed by a brief introduction to the document entitled *Refugee Children and Adolescents, Including Follow-up to the 1997 Evaluation and Report on Implementation of the Machel Study* (EC/48/SC/CRP.38) by UNHCR's Senior Coordinator for Refugee Children.

6. In their interventions, several delegations noted the discrepancy between levels of programming for children among different country programmes and encouraged greater mainstreaming and accountability on children's issues, financial constraints notwithstanding. Many delegations offered strong support for the progress made by UNHCR to date, referencing a non-governmental organization (NGO)-initiated training programme, joint initiatives with NGOs and the establishment of the Regional Policy Officer (children) posts. Some delegations, however, expressed concern at the decision to cut such a post in the Great Lakes region of Africa. Several delegations thanked the countries that had given additional funds to enable these initiatives, but communicated a desire to see them mainstreamed in UNHCR's General Programme.

7. The Deputy High Commissioner, in his concluding remarks on this sub-item, noted that while progress has been made, greater implementation across the board is needed. He acknowledged delegations' concerns about internal restructuring and the placement of the Senior Coordinator posts, and assured them that the Coordinators will be situated in a way which will enable them to interface with executive and senior management, and to maximize their impact. He expressed appreciation for the special contributions in support of these initiatives, as well as hope that UNHCR will be provided with additional contributions, while underlining that support for these initiatives must eventually be mainstreamed.

B. Older Refugees

8. The Senior Community Services Officer of the Programme and Technical Support Service (PTSS) introduced document EC/48/SC/CRP.39 entitled *The Situation of Older Refugees*, noting the timeliness of the document, given that 1 October 1998 is the International Day of the Older Person and 1999 has been designated the International Year of the Older Person.

9. Delegations commended the humanitarian perspective of the document. It was pointed out that the situation of older refugees is complex and that this analysis of their plight was both sober and sobering. Delegations welcomed UNHCR's efforts to bring special attention to the needs of an often neglected

population at this timely juncture. Delegations also affirmed that the elderly should not be seen as passive recipients of assistance, but also as valuable resources for their communities.

10. Delegations endorsed that strategies outlined in the conference room paper to ensure continued care of the elderly, namely an integrated approach to programming which is inclusive of the elderly, the importance of community services to identify and support the elderly and a well managed phase-out. While acknowledging the special needs of older refugees, delegations supported UNHCR's strategy of not isolating them as another special category, but instead integrating the elderly into all aspects of programme planning and implementation. It was suggested that UNHCR tools, such as People Oriented Planning training and the Operation Management System framework, could be used to ensure this. One observer delegation (NGO) noted that, in line with the International Year of the Older Person in 1999, measures to keep families together and strengthen inter-generational ties were necessary. It was recognized that the very young and the very old are most vulnerable and several delegations suggested innovative approaches to bring unaccompanied minors and elderly together. Delegations also welcomed the UNHCR initiative to work in partnership with other specialist agencies, including HelpAge International, to improve staff and implementing partner awareness of the needs of the elderly, as well as their capacity to respond to the needs of this vulnerable group.

11. One delegation urged that, in facing the dilemmas of when and how to limit assistance to groups at risk, UNHCR should err on the side of compassion. It was agreed that UNHCR must phase-out with care, but other actors in the United Nations system, Government and non-governmental sectors must be involved in assuming responsibility for their well being.

V. PROGRAMME AND FUNDING MATTERS

12. Under this agenda item, the Standing Committee had before it a conference room paper entitled *Refugee Registration and Statistics* (EC/48/SC/CRP.35). The Chief of the Programme Coordination Section introduced the conference room paper and explained that the 1997 Statistical Overview, sought to capture the many facets of refugee displacement. On the issue of demographic statistics, he stated that in recent years UNHCR has moved away from using imprecise demographic information on women and children and instead has presented gender and age disaggregated statistics for most UNHCR operations. With regard to data collection at the field level, it was clarified that a formal refugee registration normally needs only to be repeated if there are indications that the register is inaccurate. In this context, the importance of rules and procedures to update refugee registers was stressed.

13. Delegations expressed their support for the work UNHCR carries out in the area of registration and statistics and welcomed the documentation provided. It was pointed out that good statistics are not only a core component of budgeting but are also vital to assess beneficiary needs and to maintain donor support for UNHCR programmes. In light of the overall importance of statistics, it was questioned whether one full time staff member devoted to statistics in UNHCR was adequate. With reference to the recent report of the Board of Auditors, the importance of providing

statistics disaggregated by gender and age was highlighted. Furthermore, it was suggested that documentation pertaining to the funding of operations should focus on statistics relating to the beneficiaries of UNHCR programmes rather than on the total refugee population.

14. Interest was expressed in the progress achieved in implementing the revised UNHCR/WFP Memorandum of Understanding, in particular where it concerns the need to carry out a registration within the first ninety days of a refugee influx. The periodic updating of beneficiary records was also considered vital in this context. Plans to convene a technical seminar on refugee estimation, together with WFP and UNFPA, were welcomed. However, concern was raised that budgetary constraints will adversely affect UNHCR activities concerning registration, in particular those related to training.

15. There was general appreciation of the difficulties in compiling internationally comparable refugee statistics. A number of delegations, however, expressed the view that the method currently applied by UNHCR to estimate refugee populations in countries without comparable statistics may lead to overestimation. In this regard, it was doubted whether resettled refugees should continue to be counted in UNHCR refugee statistics. UNHCR was invited to convene a meeting to improve the international comparability of refugee statistics. UNHCR was also asked to provide, in future documentation, some indication of the accuracy of the refugee data.

16. In his closing remarks, the Chief of the Programme Coordination Section informed delegations that the technical seminar on estimation had been postponed due to the heavy workload within the section. While taking note of the comments made by some delegations, UNHCR's Statistician clarified UNHCR's approach towards estimating the number of refugees in countries without accurate refugee population statistics and explained that the granting of citizenship, not long-term residence status, is used as a criterion for UNHCR statistics. He welcomed further bilateral exchanges on these and related issues.

VI. SITUATION REPORTS

17. Under this agenda item, two regional reviews were presented to the Standing Committee: an *Update on Regional Developments in the Americas* (EC/48/SC/CRP.36) and an *Update on Regional Developments in Asia and the Pacific* (EC/48/SC/CRP.37).

A. Update on Regional Developments in the Americas

18. The UNHCR Director of Operations for the Americas introduced EC/48/SC/CRP.36 and provided delegations with updated information on UNHCR's overall strategic objectives in the region.

19. Delegations expressed broad support for the strategy and approach of UNHCR in the Americas, noting in particular that the emphasis being placed on creating partnerships with civil society and Governments in the interests of strengthening the protection framework. Delegations underscored their satisfaction with progress achieved in consolidating durable solutions for Guatemalan refugees. The Mexican Government was commended for its recent agreement to facilitate local settlement of refugees in Chiapas. Appreciation

was also expressed for the role of the Guatemalan Government in the process of collective return to Guatemala.

20. Concern was expressed by several delegations that the successful conclusion of the Guatemala repatriation and reintegration programme in June 1999 might be jeopardized by the current funding shortfall. One delegation enquired about progress achieved in securing linkages between UNHCR's reintegration support and longer-term development efforts. The Director briefed the meeting on plans to organize a "lessons learned" exercise on the Guatemala programme jointly with the UNDP Resident Representative, as well as efforts underway in the field to ensure the sustainability of UNHCR-financed projects, *inter alia*, by sharing an analysis of pending needs of returnee communities with partners.

21. In relation to the situation in Colombia, delegations welcomed the recent establishment of the UNHCR presence in Colombia in response to the Government of Colombia's request for UNHCR support in favour of national institutions working with internally displaced. Some delegations shared UNHCR's concern regarding the evolution of the problem of forced displacement and its effects on neighbouring countries. UNHCR's actions to strengthen the asylum regime in the area drew support from delegations. The Director noted that complementarity with key partner agencies was regarded as essential, given the scope and complexity of internal displacement in Colombia.

B. Update on Developments in Asia and the Pacific

22. The Director of the Bureau for Asia and the Pacific provided a summary of recent developments in the region, highlighting the proposal for an enhanced UNHCR role on the Thai/Myanmar border, the blueprint for the Office's future activities in Myanmar, the situation in Cambodia and its impact on the Cambodian refugee populations in Thailand, and the progress of the Asia-Pacific Intergovernmental Consultations on Regional Approaches to Refugees and Displaced Persons.

23. Many delegations welcomed the proposed expansion of the UNHCR role with respect to the refugee camps on the Thai/Myanmar border and requested to be apprized of future developments in this regard. Issues relating to the admission of new arrivals to the camps, the relocation of these settlements in order to ensure their safety, the registration of the refugees, and the UNHCR involvement in the repatriation of these populations, were also highlighted. One delegation queried the budgetary implications of the proposed activities by UNHCR, while another requested clarification concerning the coordination between the non-governmental organizations operating on the border and UNHCR. Several delegations also expressed appreciation for the blueprint of the future strategy of UNHCR in regard to the Rakhine State in Myanmar, which included details on the Office's phasing out of its activities in the Rakhine State in the year 2000 and the handover to other agencies as of that period. One delegation, however, requested more detailed information concerning UNHCR protection activities in Myanmar aimed at improving the situation of the returnees.

24. Concern was expressed by several delegations with regard to the lack of progress in the bilateral discussions in regard to the situation of the Bhutanese refugees in Nepal and the fact that no refugees have returned.

Delegations also noted the importance of the establishment of an independent verification procedure with respect to this population and requested that UNHCR also examine the situation of these refugees in the light of the Office's responsibilities under the 1961 Convention Relating to the Reduction of Statelessness. One delegation also requested clarification concerning the statistics provided in the update.

25. The significant decrease in refugee flows from Sri Lanka to India was also noted by delegations, in particular UNHCR's role and that of the Government of Sri Lanka in this regard. A few delegations also requested information concerning the coordination between the various international organizations providing relief to the internally displaced in the country and expressed concern over a possible overlap in responsibilities between the agencies involved. A number of delegations noted the situation of Indonesian asylum seekers from the province of Aceh who had sought refuge in the UNHCR and the United States Embassy premises in Malaysia in March 1998. While one delegation queried the appropriateness of resettling these persons, other delegations expressed support for UNHCR's endeavours in this regard and called on the Government of Malaysia to respect the principle of *non-refoulement* with regard to this population. One Observer delegation clarified the situation in Malaysia and highlighted the fact that its Government is responding appropriately to the situation within its abilities. In addition, the delegation welcomed the assistance being provided by UNHCR.

26. Several delegations welcomed and expressed their support for progress of the Asia-Pacific Consultations (APC), highlighting its importance as a regional forum for the discussion of strategies regarding population flows in the region. One delegation expressed its reservation with regard to the pace and direction of this process, citing the lack of adequate consultation with countries in the region and the absence of clarity of the process itself. The delegation, however, supported the forthcoming meeting between the APC Coordinator and the delegations, scheduled to be convened in the margins of the plenary session of the Executive Committee in October 1998.

27. Several delegations also commended UNHCR for the recent emergency preparedness and contingency-planning workshops and related activities in the region, highlighting the importance of these and other capacity-building initiatives in light of the current economic crises in the region. A further development of these activities was recommended. Several delegations also expressed satisfaction in regard to UNHCR's promotion and training activities in the region. A few delegations requested information concerning accessions to the international refugee instruments by countries in the region and called for the establishment of national refugee status determination procedures. One delegation noted the recent establishment of a national refugee status determination procedure by its Government.

VI. PROTECTION/PROGRAMME POLICY ISSUES

28. The Standing Committee had before it a document entitled, *Economic and Social Impact of Massive Refugee Populations on Host Developing Countries: A Quantitative Assessment on the Basis of Special Case Studies* (EC/48/SC/CRP.40).

29. The agenda item was introduced by the Head of the Inter-Organization Affairs and Secretariat Service, who summarized the contents of the paper stating that it complements a 1997 Standing Committee conference room paper (EC/47/SC/CRP.7). The 1997 paper addressed, in a more qualitative manner, the issue of the social and economic impact of large refugee populations on host developing countries and the international responses to those impacts. She explained that the second paper focused on three examples where attempts to quantify the impact of massive refugee populations have been carried out. She further noted that the information on which the conference room paper was based does not provide conclusive answers to the complex issue of quantitative assessment. The paper, however, provides some suggestions of how the difficulties in such assessments could be addressed.

30. A number of delegations stressed that the assessment of impact, both social and economic, of large refugee populations on host countries should not be seen as having a strictly financial objective. Funding, however, was identified by some delegations as one of the most fundamental issues to be addressed. Delegations placed particular importance on the need to have adequate assessments to encourage a better understanding of the burden imposed by large refugee movements in developing countries. Delegations also expressed the view that assessments can raise more concern for refugees in international fora and among the population in donor countries, as well as possibly improve the environment of asylum in host countries and contribute to preventive endeavours. Delegations agreed that, due to the complexity of the issue, the cooperation of all concerned parties must be engaged in the assessment exercises and that the difficulty of these efforts should not undermine the importance of the issue. Delegations encouraged UNHCR to gradually strengthen its capacity to monitor, assess and evaluate the economic and social impact on host countries.

31. Delegations expressed the view that UNHCR can and should play an important proactive, catalytic role in assessment exercises, even if other international development and financial institutions provide technical and financial support. Based on the results of these assessments, UNHCR should also continue to play a leading role in sensitizing donor Governments about the impact of refugees in developing countries and the need for adequate responses to this impact. It was suggested by a number of delegations to maintain the issue of the social and economic impact of large refugee populations on the agenda of the Executive Committee.

32. In reply to delegation's comments, the Head of Inter-organization Affairs and Secretariat Service stressed that there was indeed a need for such assessments and that they are useful to a variety of actors and purposes. She noted that the earlier they are carried out, the greater the chance of addressing their overall impact. The role of UNHCR in carrying out impact assessments is an essential element in the debate on UNHCR mandate and its collaboration with development agencies and financial institutions.

VII. PROGRAMME AND FUNDING

33. Under this agenda item, the Standing Committee has before it the *Overview of UNHCR Activities* (A/AC.96/900), and its addenda. In addition, the Standing Committee was presented with a proposal for UNHCR budget structure (EC/48/SC/43).

A. Programmes and Funding

34. The Director of the Division of Operational Support and the Head of the Funding and Donor Relations Service introduced the first sub-item of this agenda item. The Director noted that UNHCR proposes a revised 1998 General Programmes target of \$ 429 million (see Table II.5, column 3 of document A/AC.96/900), stating that this represents a reduction of \$ 11 million from the initial 1998 approved budget of \$ 440 million. He informed delegations that this reduction is due to savings under Programme Delivery and Administrative Support costs. UNHCR, he explained, has adopted an internal, self-imposed ceiling for expenditure in 1998 of \$ 370 million, since even this reduced target exceeds funding projections for the year. The 1999 General Programme budget proposed to the Executive Committee is \$ 413 million, as detailed in Table II.5, column 4 of document A/AC.96/900. The Director stated that needs for 1999 Special Programmes will only be finalized and presented to Members of the Executive Committee when the Global Appeal is launched at the end of 1998.

35. The Head of the Funding and Donor Relations Service in his introduction highlighted five issues of particular relevance to UNHCR in relation to mobilizing sufficient funds: the decreasing carry-over in recent years for both General Programmes and Special Programmes; the timeliness of contributions, particularly for large Special Programmes; the difficulties in balancing assessed needs against projected resources; an increasing tendency by donors to earmark both geographically and at a low level of detail; and the heavier reporting requirements placed upon UNHCR due to the lack of a standard reporting format.

36. A number of delegations expressed appreciation at the quality of the documentation. One delegation, however, felt that in the A/AC.96/900, the presentation made it difficult to see the scope of budget cuts, stating that, in future, tables showing percentages of cuts in relation to the entire budget needed to be included. A number of delegations expressed concern over the reduced General Programmes target both for 1998 and 1999. Others requested clarification on whether even the reduced 1999 target was realistic in light of what is expected by way of contributions in 1998. One delegation stated that budgets should be based on realistic income projections. Several delegations noted that in times of financial constraints, overhead costs need to be reduced. Significant debate followed on the issue of how UNHCR should balance the volume of assessed needs against the level of projected funding and which of these should guide UNHCR when presenting programmes to the Standing Committee. One delegation noted that the dilemma of needs versus resource driven budgets should be addressed with a sense of realism, while avoiding the danger that resource driven budgets could become a "self-fulfilling prophecy". Delegations expressed appreciation for the proposed consultative processes concerning earmarking, the timeliness of contributions and reporting. It was noted by one delegation that excessive earmarking placed a burden on UNHCR and on the donors who do not earmark. The proposal to discuss programme design before launching of appeals was also welcomed. Other delegations commended UNHCR on the Global Appeal and the Mid-Year Progress Report on Special Programmes, in particular, the focus on the impact of funding shortfalls. Another delegation, while regretting the shortfalls in funding, nevertheless felt that the funding challenges facing the Office

had a positive side, in that they called for prioritization and a thorough review of programmes. Concerning evaluations, one delegation called for greater openness and transparency.

B. Proposed new budget structure

37. The Director of the Division of Operational Support introduced the *Note on UNHCR's Proposed New Budget Structure* (EC/48/SC/CRP.43). He also drew attention to paragraphs 32 to 42 of document A/AC.96/900/Add.3, *Overview of UNHCR Activities 1997-1999: Addendum 3 - Report of the Advisory Committee on Administrative and Budgetary Questions*, which set out the ACABQ's comments on UNHCR's proposal.

38. The Director first addressed the issue of the adoption of the harmonized definitions of "Programme Support", "Management and Administration" and "Programme" as agreed to by UNDP, UNICEF and UNFPA. In the view of the ACABQ, the adoption of these harmonized definitions, he explained, would ensure greater comparability of such expenditure among United Nations agencies and avoid a number of problems, such as the apparent arbitrariness of the current classification of UNHCR support costs.

39. The Director then turned to the broader issue addressed by the ACABQ, that of the proposed budget structure itself. He noted that the ACABQ had expressed reservations about the proposed distinction between "Statutory Activities" and "Other Mandated Activities" and opted instead for a single consolidated Annual Programme made up of predictable budget elements set out in Parts A and B of the proposed budget structure; activities undertaken after the approval of the Annual Programme (for example emergencies which cannot be covered through the Reserve) requiring an appeal, or other programmes of a bilateral nature would be considered as Supplementary Programmes. He also referred to the ACABQ's recommendation that the Executive Committee provide the High Commissioner with policy guidance for accepting such supplementary activities.

40. He noted other related issues that were dealt with by the ACABQ: the combining of the three current Reserves (Programme Reserve, Emergency Fund and Voluntary Repatriation Fund) into one Operational Reserve set at least at 10 per cent of the previous year's total expenditure (excluding the United Nations Regular Budget contribution) and a number of resource mobilization issues including earmarking.

41. In light of the comments made by the ACABQ, and of the Standing Committee's initial response to them, the Director proposed that further informal consultations be held before the end of 1998 to explore further the ACABQ's comments and resource mobilization issues. He explained that this would allow UNHCR to prepare a prototype of the budget structure in the first quarter of 1999 for early submission to the ACABQ. He stated that UNHCR also proposed to work on the relevant revisions to the Financial Rules relating to the proposed consolidated Reserve.

42. Delegations welcomed the initiative that had led to the proposal of a revised budget structure. Although acknowledging that a new budget structure would not necessarily solve UNHCR's funding problems in view of the fluctuating nature of its activities, they felt that it would provide greater

clarity, transparency and lead to better prioritization of activities. Delegations also welcomed the ACABQ's broadly favourable response to the UNHCR proposal. Several delegations requested UNHCR to explain how the ACABQ view would differ in practice to the way UNHCR had proposed to present its budget, and what were the pros and cons of a consolidated Operational Reserve.

43. All delegations agreed with the UNHCR proposal that further consultations on the budget structure should be held before the end of 1998. Many expressed the desire to see a prototype budget before it was presented to the ACABQ and hoped that this could be done quickly enough so that the new budget structure would be put in place for the year 2000.

44. In answer to the questions received, the Director replied that UNHCR also wished the new budget structure to be ready for the year 2000 and that the Office had no objection to a consolidated Operational Reserve, provided the specificity of the current three Reserves was maintained. He also explained how, within the unified budget as called for by the ACABQ, UNHCR would need to prioritize its activities along the lines implied by the originally proposed distinction between "Statutory Activities" and "Other Mandated Activities".

VIII. FINANCIAL MATTERS

45. The Chairman introduced the item by referring to the relevant documents, namely, the *Voluntary Funds Administered by the High Commissioner: Accounts for the Year 1997* (A/AC.96/899), the *Report of the Board of Auditors to the General Assembly on the Accounts of the Voluntary Funds Administered by UNHCR for the period ended December 1997* (A/AC.96/901), *Measures Taken or Proposed in Response to the Recommendations in the Report of the Board of Auditors* (A/AC.96/901/Add.1) and *Implementing Partners Compliance with Audit Certification* (EC/48/SC/CRP.41). He mentioned that the Report of the Board of Auditors was not yet final and that the ACABQ had therefore not provided their comments on the document. The Report still had to be submitted to the Fifth Committee and the General Assembly.

46. The Controller and Director of the Division of Financial Management Services (DFMS) then elaborated on the documents before the Standing Committee, pointing to pages of particular interest within the accounts. He highlighted the unqualified audit opinion given by the Board of Auditors and then discussed some of the recommendations in more detail. He gave an explanation of the issue of income recognition and the Board's recommendation in this regard, which he felt could cause UNHCR some operational difficulties if implemented. On the question of audit certificates from implementing partners, the Controller and Director noted that UNHCR was pursuing the matter with international and local NGOs but he requested the support of the Executive Committee in ensuring that governmental partners provided audit certificates as required. He also requested the guidance of the Standing Committee on the recommendation that UNHCR adopt a biennial reporting cycle. He elaborated on the positive and negative aspects of a two year cycle and added that UNHCR would welcome advice from delegations on this matter before discussing it with the Board of Auditors.

47. The Controller and Director noted that the Committee would have to decide on the mechanism for their consideration of the Report of the Board of Auditors and UNHCR's follow-up on the basis of options that will be presented by UNHCR in time for the determination of the 1999 workplan. He concluded by pointing to the final document for this item, EC/48/SC/CRP.41, which provides a progress report on the current state of compliance with the requirement on audit certification.

48. Delegations expressed satisfaction with the unqualified audit opinion provided by the Board of Auditors. Many delegations noted that there had been some progress on the implementation of previous years' recommendations while others were concerned to see recurrent issues in the report and requested UNHCR to continue to make every effort to address these. Several delegations urged UNHCR, in particular, to implement the recommendations on refugee women, children and the environment.

49. While generally expressing their support for UNHCR, some delegations requested UNHCR to address some of the management weaknesses which seemed to be evident from the report and which had been the focus of recent press articles, and to ensure that the necessary controls were in place, especially in the area of implementing partner management.

50. On the questions posed to the Committee by the Controller and Director, the delegations were all in agreement. On the matter of income recognition, while delegations wished to wait for the comments of the ACABQ, they indicated that UNHCR should continue to recognize income according to the current practice. One delegation was of the opinion that any accounting practice that would hinder UNHCR's ability to deliver protection and assistance to refugees should not be implemented unless circumstances absolutely demanded it. Several delegations suggested that work towards the unified budget structure which UNHCR was proposing may go a long way in addressing this problem.

51. On the question of biennial audits, delegations, while noting that they awaited the guidance of the ACABQ and the Fifth Committee, expressed the preference for the maintenance of an annual audit cycle.

52. The issue of audit certification was extensively addressed by delegations. UNHCR was urged to do more to obtain audit certificates from implementing partners. In particular, suggestions were made that implementing partners may need training and other assistance in order to comply with this requirement. One delegation suggested to include appropriate standard clauses in implementation agreements in order to induce implementing partners to submit audit certificates in a more timely manner. Several delegations requested UNHCR to provide the Standing Committee with a list of partners which had outstanding audit certificates. On the matter of the timing of the submission of audit certificates, one delegation requested clarification from UNHCR on why the shorter timeframe for submission of certificates was not acceptable. Another delegation requested clarification on the issue of reporting on fraud cases in the Board of Auditors Report.

53. In response to these interventions, the Controller and Director thanked the Committee for their clear guidance on the issues raised by the auditors. He agreed that the schedule for review of these documents needed to be

examined. He noted that there were some recurrent issues raised in the audit but affirmed that UNHCR was working to address them and that, in the area of implementing partner training, a course was being developed on financial management. He noted that the issue of the timing of audit certificate submission was a difficult one and that UNHCR was trying to be realistic regarding a practical timeframe for submission. He explained the oversight framework in UNHCR and pointed out that the audit certificates were only one part of this framework. He thanked the Committee for their suggestions on how to proceed on this issue.

54. On the question of fraud, the Controller and Director confirmed that the Office of Internal Oversight Services had examined claims made on an alleged fraud case during 1997 but could not find elements to conclude that there was indeed fraud. He also explained that the Organization is not always at liberty to report fraud cases before an investigation is completed and the possible disciplinary measures are launched.

IX. PROTECTION/PROGRAMME POLICY ISSUES

55. The Director for the Division of Operational Support introduced the agenda item referring to the five main themes brought up during the series of consultations on reintegration in June, July and September 1998. The themes were summarized as relating to basic protection issues; importance of inter-agency cooperation, identification of the comparative advantages of each agency involved in reintegration; the need for UNHCR to develop, within overall country rehabilitation and development plans, its own comprehensive repatriation and reintegration strategy; and, finally, the need to address resource mobilization in a comprehensive manner. The Director pointed to the importance the High Commissioner placed on the reintegration issue for the Office and referred to the draft conclusions currently being circulated to the Executive Committee Members for consideration during the forty-ninth plenary session of the Executive Committee.

56. Several delegations taking the floor expressed appreciation of the work being carried out, referring to the value of the open policy dialogue between UNHCR, Executive Committee Members and key development partners, which had taken place. A number of delegations went on to stress the limited role of UNHCR in reintegration operations and the need for a clear and early developed exit strategy for the Office. UNHCR was also commended for taking a broad view at the overall issues relating to the long and complicated process of reintegration, although stressing that the Office itself should only strive to fulfil a clearly defined and limited role in that process, as laid down in the *UNHCR's Operational Framework for Repatriation and Reintegration Activities in Post-Conflict Situations*. One delegation expressed the need to look not only at reintegration needs in war-to-peace situations, but also in the aftermath of the disintegration of the former Soviet Union and the immense task for reintegration in the Commonwealth of Independent States.

57. The Director concluded the agenda item by emphasizing that UNHCR was not looking for one model for reintegration. He highlighted the need to treat each reintegration operation as a unique case, requiring a tailored intervention beginning with early planning and the involvement of all actors, and also requiring the timely and coordinated efforts of donor countries.

X. MANAGEMENT AND FINANCIAL ISSUES

58. For the fourth time this year, the Director of Change Management updated on the Change Management process and introduced conference room paper EC/48/SC/CRP.44. He assured delegations that the design and development of UNHCR's new Operations Management System remains a high priority. He reviewed progress made in implementation of the protection database, the supply chain and replacement of information technology systems. Also mentioned were human resource management developments to enhance accountability and ensure that operations achieve appropriate results. Measures taken to strengthen UNHCR's financial management were noted, including the decentralization of certain financial functions.

59. The Director closed by saying that UNHCR is embarking upon a course which will result in improvements in the way in which it operates. However, he cautioned against raising undue expectations concerning the time that it will take to bring this about and said that commitment is needed, both from within UNHCR in terms of staff time and externally in terms of support from the Executive Committee.